

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

*United States Attorney
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For Immediate Release

INSURANCE AGENTS AND ATTORNEYS CHARGED IN \$50 MILLION INSURANCE FRAUD

NEWS RELEASE SUMMARY – August 1, 2013

San Diego, CA - United States Attorney Laura E. Duffy announced today that insurance brokers Byron Frisch and Kristian Giordano, and attorneys Kasra Sadr and Brenda Barrera Merriles, were arraigned today on a variety of charges related to their fraudulently causing life insurance companies to issue more than \$50 million worth of policies to unqualified applicants, who had no intention of paying the policy premiums. In return, the defendants' obtained more than \$1.6 million and the ability to sell the fraudulently obtained life insurance policies to investors.

According to the indictment, the defendants employed multiple means to deceive the insurance companies. Initially, the defendants recruited elderly individuals to apply for "free" life insurance policies with million-dollar death benefits. They then submitted fraudulent applications to the life insurance companies by intentionally omitting or falsifying the applicant's

net worth, income or source of premium payments. In addition, the conspirators concealed that they were paying all or part of the policy premiums and intended to sell the policies on the secondary market for large profits.

Frisch and Giordano were licensed insurance agents, who conducted business from their La Jolla, California offices. Sadr and Brenda were San Diego attorneys who secretly funded the policy premiums, acted as trustees for policy applicants, and controlled sales of the policies on the secondary market.

The defendants will next appear before United States District Judge Janis L. Sammartino for a motion hearing on September 6, 2013, at 1:30 p.m.

DEFENDANTS

Criminal Case No. 13cr2774-JLS

Byron Arthur Frisch
Kristian Marcus Giordano
Kasra Sadr
Brenda N. Barrera Merriles

SUMMARY OF CHARGES

Count 1: Title 18, United States Code, Section 371 – Conspiracy to commit mail fraud, wire fraud – all defendants

Maximum penalties: 5 years of imprisonment; \$250,000 fine; \$100 special assessment; 3 years of supervised release

Counts 2-9: Title 18, United States Code, Section 1341 – Mail fraud – all defendants

Maximum penalties per count: 20 years of imprisonment; \$250,000 fine or twice the gross pecuniary gain or twice the pecuniary loss (whichever is greatest), \$100 special assessment; 3 years of supervised release

Counts 10-23: Title 18 United States Code, Section 1343 – Wire fraud – all defendants

Maximum penalties per count: 20 years of imprisonment; \$250,000 fine or twice the gross pecuniary gain or twice the pecuniary loss (whichever is greatest), \$100 special assessment; 3 years of supervised release

INVESTIGATING AGENCIES

Internal Revenue Service – Criminal Investigation
Federal Bureau of Investigation

An indictment itself is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.